

**PLYMOUTH COUNTY, IOWA
Independent Auditors' Reports
Financial Statements
and
Supplemental Information
Schedule of Findings and Questioned Costs
June 30, 2004**

CONTENTS

INTRODUCTION SECTION

	Page
Table of Contents	1
County Officials	2

FINANCIAL SECTION

Independent Auditor's Report	3 - 4
A. BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Assets	5
Statement of Activities	6 - 7
Fund Financial Statements	
Governmental Fund Financial Statements	
Balance Sheet	8 - 9
Statement of Revenues, Expenditures, and Changes in Fund Balances	10 - 11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Government Funds to the Statement of Activities	12
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Assets	13
Notes to Financial Statements	14 - 23
B. REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A	
Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual, General Fund and Major Special Revenue Funds	24 - 27
Notes to Required Supplementary Information	28 - 31
C. SUPPLEMENTARY INFORMATION	
Governmental Nonmajor Funds	
Combining Balance Sheet	32 - 33
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	34 - 35
Fiduciary Funds	
Combining Statement of Fiduciary Net Assets	36 - 39
Combining Statement of Changes in Assets and Liabilities – Fiduciary Funds	40 - 44

SINGLE AUDIT SECTION

Schedule of Expenditures of Federal Awards	45 - 46
Schedule of Findings and Questioned Costs	47 - 51
Schedule of Prior Year Findings and Questioned Costs	52
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and the Internal Control Over Compliance in Accordance with OMB Circular A-133	53 - 54
Independent Auditor's Report on Compliance and on the Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	55 - 56
Corrective Action Plan	57

PLYMOUTH COUNTY, IOWA

COUNTY OFFICIALS

Name	Title	Term Expires
<hr/>		
Richard Philips	Board of Supervisors	December 31, 2004
David N. Vander Hamm	Board of Supervisors	December 31, 2004
C. Gordon Greene	Board of Supervisors	December 31, 2006
Paul Sitzmann	Board of Supervisors	December 31, 2006
Jack Spies	Board of Supervisors	December 31, 2006
K. Kae Meyer	County Auditor	December 31, 2008
Linda Dobson	County Treasurer	December 31, 2006
Jolynn Goodchild	County Recorder	December 31, 2006
Mike Van Otterloo	County Sheriff	December 31, 2008
Darin J. Raymond	County Attorney	December 31, 2008
Judith DeBoer	County Assessor	December 31, 2009



21 1st Avenue NW
P.O. Box 1010
Le Mars, IA 51031
Phone (712) 546-7801
Fax (712) 546-6543

INDEPENDENT AUDITORS' REPORT

Board of Supervisors
Plymouth County, Iowa

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of PLYMOUTH COUNTY, IOWA (the County) as of and for the year ended June 30, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the County. Our responsibility is to express opinions on the financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1 to the financial statements, management has not recorded capital assets or infrastructure assets in governmental activities and, accordingly, has not recorded depreciation expense on these assets. U.S. generally accepted accounting principles require that those capital assets and general infrastructure assets be capitalized and depreciated, which would increase the assets and expenses of the governmental activities. The amount by which this departure would affect the assets and expenses of the governmental activities is not reasonably determinable.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with U.S. generally accepted accounting principles the financial position of the governmental activities of Plymouth County, Iowa, as of June 30, 2004, and the changes in financial position thereof for the year then ended.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, each major fund and the aggregate remaining fund information of Plymouth County, Iowa, as of June 30, 2004, and the respective changes in financial position thereof for the year ended in conformity with U.S. generally accepted accounting principles.

The budgetary comparison information is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The County has not presented the management's discussion and analysis that U.S. generally accepted accounting principles has determined is necessary to supplement, although not required to be part of the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 29, 2004 on our consideration of Plymouth County, Iowa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying combining non-major fund financial statements, and Schedule of Expenditures of Federal Awards which is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Williams + Company, P.C.
Certified Public Accountants

Le Mars, Iowa
October 29, 2004

COUNTY OF PLYMOUTH, IOWA
STATEMENT OF NET ASSETS
JUNE 30, 2004

	Governmental Activities
ASSETS	
Cash and Pooled Investments	\$ 6,721,485
Receivables:	
Property Tax	57,750
Future Property Tax	5,455,219
Accrued Interest	38,537
Accounts	3,179
Due from Other Governmental Agencies	771,125
Inventories	812,196
Prepaid Insurance	65,683
Restricted Assets:	
Cash and Pooled Investments	720,128
Total Assets	<u>14,645,302</u>
LIABILITIES	
Accounts Payable	819,848
Due to Other Governmental Agencies	807
Unearned Revenue	5,455,219
Accrued Interest Payable	23,807
Salaries and Benefits Payable	240,629
Long Term Debt:	
Due Within One Year	365,000
Due in More Than One Year	4,885,000
Total Liabilities	<u>11,790,310</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	(5,250,000)
Restricted for:	
Debt Service	733,428
Unrestricted	7,371,564
Total Net Assets	<u>\$ 2,854,992</u>

See Accompanying Notes to Financial Statements

COUNTY OF PLYMOUTH, IOWA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2004

		Program Revenues
Functions/Programs	Expenses	Charges for Services
Primary Government:		
Governmental Activities:		
Public safety and legal services	\$ 2,026,630	\$ 144,088
Physical health and social services	314,657	
Mental health	1,285,294	
County environment and education	614,980	35,008
Roads and transportation	4,549,962	2,130
Government services to residents	535,747	472,741
Administration	1,855,790	5,605
Non-program services	25,000	
Capital Projects	2,617,181	
Interest on long-term debt	298,104	
Total governmental activities	\$ 14,123,345	\$ 659,572

See Accompanying Notes to Financial Statements

Program Revenues		Net (Expense) Revenue and Changes in Net Assets
Operating Grants Contributions	Capital Grants Contributions	Governmental Activities
	\$ 398	\$ (1,882,144)
\$ 139,788		(174,869)
789,899		(495,395)
8,056		(571,916)
3,579,708	974,879	6,755
		(63,006)
		(1,850,185)
		(25,000)
		(2,617,181)
		(298,104)
<u>\$ 4,517,451</u>	<u>\$ 975,277</u>	<u>\$ (7,971,045)</u>

General Revenues:

Property taxes	4,995,721
Other taxes	236,761
Interest and penalties on taxes	54,117
State tax credits	106,931
Local option sales tax	856,449
General intergovernmental revenues	627,419
Use of money and property	325,344
Miscellaneous	169,745
Total general revenues	<u>7,372,487</u>
Change in net assets	(598,558)
Net assets - beginning	3,492,666
Prior Period Adjustment	(39,116)
Net assets - beginning, restated	<u>3,453,550</u>
Net assets - ending	<u>\$ 2,854,992</u>

See Accompanying Notes to Financial Statements

COUNTY OF PLYMOUTH, IOWA
BALANCE SHEET
Governmental Funds
JUNE 30, 2004

	General	Mental Health	Rural Services
Assets			
Cash and Pooled Investments	\$ 1,258,803	\$ 1,159,094	\$ 1,176,101
Receivables:			
Property Tax	52,971	753	3,781
Future Property Tax	2,840,000	363,770	2,100,000
Accrued Interest	35,031		
Accounts	3,179		
Due from Other Governmental Agencies	128,845		
Prepaid Insurance	65,683		
Inventories			
Restricted Assets:			
Cash and Pooled Investments			
Total Assets	4,384,512	1,523,617	3,279,882
Liabilities and Equity			
Liabilities:			
Accounts Payable	44,424	183,701	278
Due to Other Governmental Agencies	807		
Unearned Revenue	2,840,000	363,770	2,100,000
Deferred Revenue	47,402	624	3,757
Salaries and Benefits Payable	58,652		1,051
Total Liabilities	2,991,285	548,095	2,105,086
Fund Balances:			
Reserved for Debt Service			
Reserved for Inventories			
Reserved for Prepaid Insurance	65,683		
Unreserved for:			
General Fund	1,327,544		
Special Revenue Fund		975,522	1,174,796
Capital Project Fund			
Total Fund Balances	1,393,227	975,522	1,174,796
Total Liabilities and Equity	\$ 4,384,512	\$ 1,523,617	\$ 3,279,882

See Accompanying Notes to Financial Statements

Secondary Roads	Local Option Sales Tax	Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 1,955,692	\$ 641,091	\$ 11,527	\$ 519,177	\$ 6,721,485
		245		57,750
		109,453	41,996	5,455,219
	2,664	17	825	38,537
				3,179
474,042	153,508		14,730	771,125
				65,683
812,196				812,196
	720,128			720,128
3,241,930	1,517,391	121,242	576,728	14,645,302
374,724	73,000		143,721	819,848
				807
		109,453	41,996	5,455,219
		175		51,958
180,926				240,629
555,650	73,000	109,628	185,717	6,568,461
	720,128	11,614		731,742
812,196				812,196
				65,683
				1,327,544
1,874,084	724,263		145,731	4,894,396
			245,280	245,280
2,686,280	1,444,391	11,614	391,011	8,076,841
\$ 3,241,930	\$ 1,517,391	\$ 121,242	\$ 576,728	

Amounts reported for Governmental Activities in the Statement of Net assets are different because:

Deferred revenues and accrued expenses from the balance sheet that provide current financial resources for governmental activities

28,151

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds

(5,250,000)

Net Assets of Governmental Activities

\$ 2,854,992

See Accompanying Notes to Financial Statements

COUNTY OF PLYMOUTH, IOWA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds
Year Ended June 30, 2004

	General	Mental Health	Rural Services
Revenue:			
Property taxes	\$ 2,499,069	\$ 333,886	\$ 2,091,360
Other taxes	109,287	14,481	70,998
Interest and penalties on taxes	54,117		
Intergovernmental	478,899	807,560	114,987
Licenses and permits	125		11,465
Charges for services	582,829		13,275
Use of money and property	287,045		
Miscellaneous	74,463	5,901	
Total Revenue	4,085,834	1,161,828	2,302,085
Expenditures:			
Current operating:			
Public safety and legal services	1,959,130		67,500
Physical health and social services	297,955		16,702
Mental Health		1,285,294	
County environment and education	369,775		236,812
Roads and transportation	423		
Government services to residents	535,747		
Administration	1,327,015	1,385	
Non-program services	25,000		
Capital projects			
Debt service:			
Principal			
Interest			
Total Expenditures	4,515,045	1,286,679	321,014
Excess (deficiency) of revenues over expenditures	(429,211)	(124,851)	1,981,071
Other financing sources (uses):			
Transfers in			
Transfers (out)	(9,153)		(1,760,000)
Total other financing sources (uses)	(9,153)	-	(1,760,000)
Net Change in Fund Balances	(438,364)	(124,851)	221,071
Fund balances-beginning of year	1,831,591	1,100,373	953,725
Prior Period Adjustment			
Fund balances-beginning of year, restated	1,831,591	1,100,373	953,725
Increase in Reserve for:			
Inventory			
Fund balances- end of year	\$ 1,393,227	\$ 975,522	\$ 1,174,796

See Accompanying Notes to Financial Statements

Secondary Roads	Local Option Sales Tax	Debt Service	Other Governmental Funds	Total Governmental Funds
	\$ 856,449	\$ 100,263	\$ 37,984	\$ 5,024,578
		4,011		1,093,210
				54,117
\$ 4,426,161		5,005	266,040	6,098,652
2,130				13,720
5,605			44,143	645,852
7,239	17,875	910	12,275	325,344
217,807				298,171
4,658,942	874,324	110,189	360,442	13,553,644
				2,026,630
				314,657
				1,285,294
			8,393	614,980
4,876,935				4,877,358
	142,213	450	384,727	535,747
				1,855,790
				25,000
2,617,181				2,617,181
		340,000		340,000
		299,790		299,790
7,494,116	142,213	640,240	393,120	14,792,427
(2,835,174)	732,111	(530,051)	(32,678)	(1,238,783)
1,769,153	62,276	531,557	362,316	2,725,302
	(362,316)		(593,833)	(2,725,302)
1,769,153	(300,040)	531,557	(231,517)	-
(1,066,021)	432,071	1,506	(264,195)	(1,238,783)
3,424,905	1,012,320	10,108	694,322	9,027,344
			(39,116)	(39,116)
3,424,905	1,012,320	10,108	655,206	8,988,228
327,396				327,396
\$ 2,686,280	\$ 1,444,391	\$ 11,614	\$ 391,011	\$ 8,076,841

See Accompanying Notes to Financial Statements

COUNTY OF PLYMOUTH, IOWA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2004

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds (page 11)	\$	(1,238,783)
Revenues reported in the funds that are not available to provide current financial resources		(28,857)
Accrued interest expense that does not require current financial resources		1,686
Inventories in the governmental funds have been recorded as expenditures when paid. However, the statement of activities will report these items as expenditures in the period that the corresponding net asset is exhausted.		327,396
The repayment of the principal of bonded long-term debt consumes the current financial resources of governmental funds without affecting the net assets. The statement of activities does not reflect the payment of principal on bonded long-term debt. The principal paid on bonded long-term debt during the current year was:		340,000
Change in net assets of governmental activities (page 7)	\$	<u>(598,558)</u>

COUNTY OF PLYMOUTH, IOWA
STATEMENT OF FIDUCIARY NET ASSETS
Fiduciary Funds
June 30, 2004

ASSETS

Cash and Pooled Investments	\$	1,297,802
Receivables:		
Property Tax		50,714
Future Property Tax		20,788,647
Assessments		3,500
Accounts		78,024
Accrued Interest		345
Due from Other Governments		5,593
Total Assets		<u>22,224,625</u>

LIABILITIES

Accounts Payable		15,832
Due to Other Governments		22,206,222
Salaries and Benefits Payable		2,571
Total Liabilities	\$	<u>22,224,625</u>

THIS PAGE INTENTIONALLY LEFT BLANK

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2004

Note 1 - Summary of Significant Accounting Policies

The County of Plymouth, Iowa (the County) is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Recorder, Treasurer, Sheriff, and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance, and general administrative services.

A. Reporting Entity

For financial reporting purposes, the County has included all funds, organizations, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County. Plymouth County has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations - The County participates in several jointly governed organizations for which the County is not financially accountable or that the nature and significance of the relationship with the County are such that exclusion does not cause the County's financial statements to be misleading or incomplete. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Plymouth County Assessor's Conference Board, Plymouth County and Municipal Joint Disaster Services Commission, and County Joint E911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported as Agency Funds of the County.

B. Basic Financial Statements – Government-Wide Statements

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The County's Public Safety and Legal Services, Physical Health and Social Services, County Environment and Education, and Government Services to Residents are classified as governmental activities. The County has no business-type activities.

In the government-wide Statement of Net Assets, the governmental activities column (a) is presented on a consolidated basis by column, (b) and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The County first uses restricted resources to finance qualifying activities.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2004

Note 1 - Summary of Significant Accounting (Continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions (administration, law enforcement, courts, roads, etc.). The functions are also supported by general government revenues (property taxes, fines, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating grants, and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

This government-wide focus is more on the sustainability of the County as an entity and the change in the County's net assets resulting from the current year's activities.

C. Basis of Presentation - Fund Accounting

The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds. Nonmajor funds are summarized into a single column. GASB No. 34 sets forth minimum criteria for the determination of major funds. The County electively added funds, as major funds, which had a specific community focus. The nonmajor funds are combined in a column in the fund financial statements.

The County reports the following major governmental funds:

Governmental Fund Types – The focus of the governmental funds' measurement (in the fund statements) is upon the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The County reports the following major governmental funds.

1) General Fund – The General Fund is the general operating fund of the County. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenses, the fixed charges and the capital improvement costs that are not paid from other funds.

2) Special Revenue Funds

The Mental Health Fund is used to account for property tax and other revenues designated to be used to fund mental health, mental retardation, and developmental disabilities services.

The Rural Services Fund is used to account for property tax and other revenues to provide services which are primarily intended to benefit those persons residing in the County outside of incorporated city areas.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2004

Note 1 - Summary of Significant Accounting (Continued)

The Secondary Roads Fund is used to account for secondary road construction and maintenance.

The Local Option Sales Tax Fund is used to account for the revenues from the tax authorized by referendum and used for county infrastructure and county improvements.

- 3) Debt Service Fund – The Debt Service Fund is used to account for the payment of interest and principal on the County's general long-term debt.

Fiduciary Fund Types - Fiduciary funds are used to report assets held in an agency or custodial capacity for others and therefore not available to support County programs. Since agency funds are custodial in nature, they do not involve the measurement of results of operations and are not incorporated into the government-wide statements.

The agency funds of the County account for the property taxes levied by political subdivisions within the county, collections of those amounts by the county, and the remittance of the collected amounts to the subdivisions.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual accounting is used for all activities in the government-wide financial statements and for the fiduciary activities in the fund financial statements. Revenues are recognized when earned and expenses are recognized when incurred.

Modified accrual is used by all governmental funds in the fund financial statements. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

The government considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues.

Expenditures are recorded when the related fund liability is incurred. An exception to this general rule is that principal and interest on general obligation debt, if any, is recognized when due.

Those revenues susceptible to accrual are property taxes and intergovernmental revenues. Licenses, fines and permits are not susceptible to accrual because generally they are not measurable until received in cash.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2004

Note 1 - Summary of Significant Accounting (Continued)

- E. Cash and Pooled Investments – The cash balances of most County funds are pooled and invested. The County has defined cash and cash equivalents to include cash on hand and demand deposits. In addition, each fund's equity in the county's investment pool is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty. Interest earned on investments is recorded in the General Fund, unless otherwise provided by law. The County uses the following method in determining the reported amounts:

<u>Type</u>	<u>Method</u>
Certificates of Deposit	Cost

- F. Property Tax Receivable - The County's property tax rates were extended against the assessed valuation of the County as of January 1, 2002 to compute the amounts for the accrual period July 1, 2003 to June 30, 2004. These taxes were due and payable in two installments on September 30, 2003 and March 31, 2004 at the County Treasurer's Office. Property tax receivable represents taxes that are due and payable but have not been collected.
- G. Future Property Taxes Receivable – This represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year.
- Although the succeeding year property tax receivable has been recorded, for governmental funds the revenue is recorded as unearned revenue and will not be recognized as revenue until the year for which it is levied. For agency funds, as no revenues are recorded, the amounts are reflected as being due from other governments.
- H. Due to/from Other Governments - Due to/from other governments represents state tax credits due from the State of Iowa, various shared revenues, grants, and reimbursements receivable and taxes and other revenues collected by the County which will be remitted to other governments.
- I. Inventories - Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.
- J. Deferred Revenue - Although certain revenues are measurable, they are not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of property tax receivable not collected within sixty days after year-end.
- K. Capital Assets – Capital assets, which include property, equipment and vehicles, and infrastructure assets (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the government), are not reported in the governmental activities column in the government-wide statement of net assets which is not in accordance with U.S. generally accepted accounting principles. For this reason,

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2004

Note 1 - Summary of Significant Accounting Policies – (Continued)

an adverse opinion has been issued on the financial statements for the year ended June 30, 2004.

- L. Landfill – The County participates in a 28E agreement with Plymouth County Solid Waste Agency and therefore, is not required to account for landfill post closure costs.
- M. Compensated Absences – County employees accumulate a limited amount of earned but unused vacation benefits. A liability for vacation is reported in the fund financial statements as all vacation is expected to be used within the next fiscal year. The compensated absence liability has been computed based on rates of pay in effect at June 30, 2004. The compensated absence liability attributable to the governmental activities will be paid primarily by the General Fund and Secondary Roads Fund.
- N. Long-term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Assets.
- O. Fund Equity – In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use a specific purpose.

Note 2 - Deposits and Pooled Investments

The County's deposits at June 30, 2004 were entirely covered by Federal depository insurance or by a multiple financial institution collateral pool in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the members of the pool to insure there will be no loss of public funds.

The County is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Supervisors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; and certain joint investment trusts.

The County's deposits at June 30, 2004 are as follows:

	<u>Carrying Value</u>	<u>Bank Balance</u>
Demand Deposits	\$ 5,159,415	\$ 6,070,037
Time Deposits	<u>3,580,000</u>	<u>3,580,000</u>
Total	<u>\$ 8,739,415</u>	<u>\$9,650,037</u>

	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and Pooled Investments	\$ 6,721,485	\$ 1,297,802	\$ 8,019,287
Restricted Cash and Pooled Investments	720,128		720,128
	<u>\$ 7,441,613</u>	<u>\$ 1,297,802</u>	<u>\$ 8,739,415</u>

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2004

Note 3 - Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2004 is as follows:

Transfer Out:					
	General Fund	Rural Services	Capital Projects	Local Option Sales Tax	Total
Transfer In:					
Secondary Roads	\$ 9,153	\$ 1,760,000			\$1,769,153
Debt Service Fund			\$ 531,557		531,557
Capital Projects				\$ 362,316	362,316
Local Option Sales Tax			62,276		62,276
	<u>\$ 9,153</u>	<u>\$ 1,760,000</u>	<u>\$ 593,833</u>	<u>\$ 362,316</u>	<u>\$2,725,302</u>

Transfers are used to:

1. Move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.
2. Move unrestricted revenues collected in the general and rural services fund to finance various programs and capital projects accounted for in other funds in accordance with budgetary authorizations.
3. Move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due.

Note 4 - Long-Term Liabilities

The County's computed legal debt limit as of June 30, 2004, is \$55,473,923 of which \$5,250,000 is committed for outstanding general obligation and local option sales tax revenue bonds.

The following is a summary of changes in long-term liability for the year ended June 30, 2004:

	General Obligation Bonds	L.O.S.T. Revenue Bonds	Total
Balance Beginning of Year	\$ 390,000	\$ 5,200,000	\$ 5,590,000
Decreases	90,000	250,000	340,000
Balance End of Year	<u>\$ 300,000</u>	<u>\$ 4,950,000</u>	<u>\$ 5,250,000</u>

Bonds Payable

A summary of the County's June 30, 2004 general obligation and local option sales tax revenue bond indebtedness is as follows:

	Date Of Issue	Interest Rates	Annual Payments	Amount Originally Issued	Outstanding June 30, 2004
<i>General Obligation Bonds:</i>					
Series 1996	1996	4.35 – 4.75%	\$67,000 - \$105,000	\$ 852,000	\$ 300,000
<i>Sales Tax Revenue Bonds:</i>					
Series 2002	2002	4.75 – 6.40%	\$200,000 - \$510,000	\$5,400,000	4,950,000
					<u>\$ 5,250,000</u>

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2004

Note 4 - Long-Term Liabilities – (Continued)

The annual requirements to amortize all bonds outstanding as of June 30, 2004, are as follows:

Fiscal Year	General Obligation Principal	Sales Tax Revenue Bond Principal	Interest	Total
2005	\$ 95,000	\$ 270,000	\$ 277,048	\$ 642,048
2006	100,000	285,000	254,965	639,965
2007	105,000	300,000	231,837	636,837
2008		320,000	207,320	527,320
2009		340,000	189,165	529,165
2010-2014		1,980,000	665,860	2,645,860
2015-2017		1,455,000	123,690	1,578,690
	<u>\$ 300,000</u>	<u>\$ 4,950,000</u>	<u>\$ 1,949,885</u>	<u>\$ 7,199,885</u>

\$733,428 is available to service the General Obligation and Sales Tax Revenue Bonds. The general obligation bonds are to be retired through property tax levies. The Sales Tax Revenue Bonds are to be retired through local option sales tax revenue and contributions from surrounding communities pursuant to a 28E agreement.

There are a number of limitations and restrictions contained in the various bond indentures creating certain reserve and sinking funds to insure repayment of the revenue bonds. A summary of the fund requirements is as follows:

Special Revenue	Type of Account	Required Balance June 30, 2004	Actual Balance June 30, 2004
Local Option Sales Tax	Sinking Fund	\$ 180,128	\$ 180,128*
Local Option Sales Tax	Reserve Fund	\$ 540,000	\$ 540,000*

*Amounts are classified as restricted assets on the combined balance sheet.

Note 5 - Prior Period Adjustment

In the financial statements for the year ended June 30, 2003, the drainage districts were treated as a special revenue fund but should have been treated as a fiduciary fund. This error has been corrected and has had the following effect on the beginning fund balance:

	Total Governmental Funds
Beginning fund balance, as previously reported	\$ 9,027,344
Prior period adjustment	(39,116)
Beginning fund balance, restated	<u>\$ 8,988,228</u>
	Total Fiduciary Funds
Beginning due to other governments, as previously reported	\$ 21,965,902
Prior period adjustment	39,116
Beginning due to other governments, restated	<u>\$ 22,005,018</u>

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2004

Note 6 - Risk Management

Plymouth County is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool with over 490 members from various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property and inland marine. There have been no reductions in insurance coverage from prior years.

Each members' annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained to equal 300 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

The Pool also provides property coverage. Members who elect such coverage make annual operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses and reinsurance premiums, all of which are due and payable in the current year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's annual contributions to the Pool for the year ended June 30, 2004 were \$169,597.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$250,000 per claim. Claims exceeding \$250,000 are reinsured in an amount not to exceed \$1,750,000 per claim and \$5,000,000 in aggregate per year. For members requiring specific coverage from \$2,000,000 to \$15,000,000, such excess coverage is also reinsured. All property risks, including automobile physical damage, are also reinsured on an individual-member basis.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2004

Note 6 - Risk Management (Continued)

The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2004, no liability has been recorded in the County's financial statements. As of June 30, 2004, settled claims have not exceeded the risk pool or reinsurance company coverage since the pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their capital contributions. If a member withdraws after the sixth year, the member is refunded 100 percent of its capital contributions; however, the refund is reduced by an amount equal to the annual operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The County also participates in the Iowa Municipalities Workers' Compensation Association (MWCA) for workman's compensation insurance.

Note 7 - Pension and Retirement

Iowa Public Employees Retirement System - The County contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits that are established by State statute plan to members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 3.7% of their annual covered salary and the County is required to contribute 5.75% of annual covered payroll except for law enforcement employees, in which case the percentages for the year ended June 30, 2004 are 4.99% and 7.48%, respectively. Contribution requirements are established by state statute. The County contribution to IPERS for the years ended June 30, 2004, 2003 and 2002 were \$223,205, \$213,770, and \$202,736, respectively, equal to the required contributions for each year.

Note 8 - 28E Agreement

During the year ended June 30, 2002, the County entered into several 28E Agreements with the communities in the County to contribute funds for the construction of a County jail from local option sales tax proceeds. The communities agreed to contribute a total of \$3,227,696 through November 2016. As of June 30, 2004, the communities have made payments totaling \$349,687.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2004

Note 9 - Contingencies

The County receives significant financial assistance from the U.S. government. Entitlement to the resources is generally based on compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowances as a result of these audits become a liability of the fund that receives the grant. As of June 30, 2004, the County estimates that no material liabilities will result from such audits.

The County is also disputing charges for services provided by two of its vendors in relation to the construction of the County Jail/Law Enforcement Center. The outcome of this lawsuit is not presently determinable and an estimate of possible losses cannot be made.

Note 10 - Construction Commitment

The County has entered into nine construction contracts totaling \$1,306,737 for bridge and culvert construction and roadway paving. As of June 30, 2004 costs of \$237,047 had been incurred against the contracts. The balance of \$1,069,690 will be paid as work on the projects progress.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF PLYMOUTH, IOWA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET
AND ACTUAL, GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS**

Year Ended June 30, 2004

General Fund				Variance with Final Budget Positive (Negative)
Budgeted Amounts		Actual		
Original	Amended			
Revenue:				
Property taxes	\$ 2,531,653	\$ 2,531,653	\$ 2,498,675	\$ (32,978)
Other taxes	108,164	108,164	108,996	832
Interest and penalties on taxes	45,000	45,000	50,831	5,831
Intergovernmental	480,823	506,823	472,268	(34,555)
Licenses and permits	11,050	11,050	125	(10,925)
Charges for services	565,775	565,775	572,894	7,119
Use of money and property	330,300	330,300	286,493	(43,807)
Miscellaneous	5,420	29,420	75,512	46,092
Total Revenue	4,078,185	4,128,185	4,065,794	(62,391)
Expenditures:				
Current operating:				
Public safety and legal services	1,890,689	1,947,189	1,944,037	3,152
Physical health and social services	245,445	245,445	294,405	(48,960)
Mental Health				
County environment and education	278,296	306,296	365,702	(59,406)
Roads and transportation			423	(423)
Government services to residents	558,771	563,771	534,252	29,519
Administration	1,487,416	1,547,666	1,322,177	225,489
Non-program services			25,000	(25,000)
Capital projects				
Total Expenditures	4,460,617	4,610,367	4,485,996	124,371
Excess (deficiency) of revenues over expenditures	(382,432)	(482,182)	(420,202)	61,980
Other financing sources (uses):				
Transfers in				
Transfers out			(9,153)	(9,153)
Total other financing sources (uses)	-	-	(9,153)	(9,153)
Net Change in Fund Balances	\$ (382,432)	\$ (482,182)	(429,355)	\$ 52,827
Fund balances-beginning of year			1,688,158	
Fund balances- end of year			\$ 1,258,803	

Mental Health				Rural Services			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Amended			Original	Amended		
\$ 319,770	\$ 319,770	\$ 333,837	\$ 14,067	\$ 2,062,078	\$ 2,062,078	\$ 2,091,337	\$ 29,259
14,654	14,654	14,444	(210)	102,032	102,032	70,998	(31,034)
	-		-				-
853,340		807,560	807,560	513,245	513,245	118,325	(394,920)
			-			11,465	11,465
			-			13,275	13,275
		5,901	5,901				-
44,300	44,300		(44,300)				-
1,232,064	378,724	1,161,742	783,018	2,677,355	2,677,355	2,305,400	(371,955)
				67,500	67,500	67,500	-
				31,133	31,133	16,604	14,529
1,518,180	1,518,180	1,216,269	301,911	323,586	323,586	242,717	80,869
		1,108	(1,108)		4,000		4,000
1,518,180	1,518,180	1,217,377	300,803	422,219	426,219	326,821	99,398
(286,116)	(1,139,456)	(55,635)	1,083,821	2,255,136	2,251,136	1,978,579	(272,557)
				(1,760,000)	(1,760,000)	(1,760,000)	-
-	-	-	-	(1,760,000)	(1,760,000)	(1,760,000)	-
<u>\$ (286,116)</u>	<u>\$ (1,139,456)</u>	(55,635)	<u>\$ 1,083,821</u>	<u>\$ 495,136</u>	<u>\$ 491,136</u>	218,579	<u>\$ (272,557)</u>
		<u>1,214,729</u>				<u>957,522</u>	
		<u>\$ 1,159,094</u>				<u>\$ 1,176,101</u>	

(Continued)

COUNTY OF PLYMOUTH, IOWA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET
AND ACTUAL, GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS - (Continued)
Year Ended June 30, 2003

	Secondary Roads			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Amended		
Revenue:				
Property taxes				
Other taxes				
Interest and penalties on taxes				
Intergovernmental	\$ 3,474,500	\$ 3,474,500	\$ 4,300,789	\$ 826,289
Licenses and permits	2,000	2,000	2,130	130
Charges for services	5,500	5,500	5,605	105
Use of money and property	11,200	11,200	7,464	(3,736)
Miscellaneous	61,000	61,000	221,284	160,284
	<u>3,554,200</u>	<u>3,554,200</u>	<u>4,537,272</u>	<u>983,072</u>
Expenditures:				
Current operating:				
Public safety and legal services				
Physical health and social services				
Mental Health				
County environment and education				
Roads and transportation	5,101,000	5,101,000	4,805,752	295,248
Government services to residents				
Administration				
Non-program services				
Capital projects	2,700,000	2,700,000	2,562,188	137,812
Total Expenditures	<u>7,801,000</u>	<u>7,801,000</u>	<u>7,367,940</u>	<u>433,060</u>
Excess (deficiency) of revenues over expenditures	<u>(4,246,800)</u>	<u>(4,246,800)</u>	<u>(2,830,668)</u>	<u>1,416,132</u>
Other financing sources (uses):				
Transfers in	1,760,000	1,760,000	1,769,153	9,153
Transfers out				
Total other financing sources (uses)	<u>1,760,000</u>	<u>1,760,000</u>	<u>1,769,153</u>	<u>9,153</u>
Net Change in Fund Balances	<u>\$ (2,486,800)</u>	<u>\$ (2,486,800)</u>	<u>(1,061,515)</u>	<u>\$ 1,425,285</u>
Fund balances-beginning of year			<u>3,017,207</u>	
Fund balances- end of year			<u>\$ 1,955,692</u>	

Local Option Sales Tax

Budgeted Amounts			Variance with Final Budget Positive (Negative)
Original	Amended	Actual	
\$ 504,000	\$ 1,273,000	\$ 1,106,923	\$ (166,077)
		15,310	15,310
504,000	1,273,000	1,122,233	15,310
	769,000	69,213	699,787
504,000	504,000		504,000
504,000	1,273,000	69,213	1,203,787
-	-	1,053,020	1,219,097
		62,276	62,276
		(362,316)	
-	-	(300,040)	62,276
<u>\$ -</u>	<u>\$ -</u>	752,980	<u>\$ 1,281,373</u>
		608,239	
		<u>\$ 1,361,219</u>	

COUNTY OF PLYMOUTH, IOWA
Notes to Required Supplementary Information – Budgetary Reporting
June 30, 2004

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except Agency Funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized in the accrual budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon 10 major classes of expenditures known as functions, not by fund or fund type. These 10 functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, one budget amendment increased budgeted disbursements by \$1,172,750. The budget amendment is reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During fiscal year 2004, the County had one budget amendment. The amendment is as follows:

<u>Function</u>	<u>Original Budget</u>	<u>Amendments</u>	<u>Amended Budget</u>
Public Safety and Legal Services	\$ 1,958,189	\$ 56,500	\$ 2,014,689
Physical Health and Social Services	276,578		276,578
Mental Health	1,518,180		1,518,180
County Environment	621,882	28,000	649,882
Roads and Transportation	5,101,000		5,101,000
Government Services to Residents	558,771	5,000	563,771
Administration	1,487,416	1,083,250	2,570,666
Non-Program	-		-
Capital Projects	3,209,657		3,209,657
Debt Service	108,383		108,383
	<hr/>	<hr/>	<hr/>
Total	<u>\$ 14,840,056</u>	<u>\$ 1,172,750</u>	<u>\$ 16,012,806</u>

COUNTY OF PLYMOUTH, IOWA
Notes to Required Supplementary Information – Budgetary Reporting
June 30, 2004

The following schedule demonstrates the County's legal compliance to the budget:

<u>Function</u>	<u>Amended Budget</u>	<u>Actual (Cash Basis)</u>	<u>Variance Favorable (Unfavorable)</u>
Public Safety and Legal Services	\$ 2,014,689	\$ 2,011,537	\$ 3,152
Physical Health and Social Services	276,578	311,009	(34,431)
Mental Health	1,518,180	1,216,269	301,911
County Environment	649,882	614,419	35,463
Roads and Transportation	5,101,000	4,806,175	294,825
Government Services to Residents	563,771	534,252	29,519
Administration	2,570,666	1,694,081	876,585
Non-Program	-	25,000	(25,000)
Capital Projects	3,209,657	2,562,188	647,469
Debt Service	108,383	639,790	(531,407)
Total	<u>\$ 16,012,806</u>	<u>\$ 14,414,720</u>	<u>\$ 1,598,086</u>

During the year ended June 30, 2004, disbursements exceeded the amounts budgeted in the Physical Health and Social Services, Non-Program Services and Debt Service functions.

As noted previously, the actual results of operations are presented in accordance with U.S. generally accepted accounting principles which differ in certain respects from those practices used in the preparation of the 2003-04 budget. For purposes of preparing the budget comparison above, the actual expenses have been adjusted to the cash basis which is consistent with the County's budgeted expenditures. The adjustments required to convert the expenses to cash basis at the end of year are as follows:

<u>Governmental Fund Types</u>			
	<u>General</u>		
	<u>Cash Basis</u>	<u>Accrual Adjustments</u>	<u>Modified Accrual Basis</u>
Revenues	\$ 4,065,794	\$ 20,040	\$ 4,085,834
Expenditures	4,485,996	29,049	4,515,045
Net	(420,202)	(9,009)	(429,211)
Other Financing Sources (Uses)	(9,153)	-	(9,153)
Beginning Fund Balance	1,688,158	143,433	1,831,591
Ending Fund Balance	<u>\$ 1,258,803</u>	<u>\$ 134,424</u>	<u>\$ 1,393,227</u>

<u>Governmental Fund Types</u>			
	<u>Mental Health</u>		
	<u>Cash Basis</u>	<u>Accrual Adjustments</u>	<u>Modified Accrual Basis</u>
Revenues	\$ 1,161,742	\$ 86	\$ 1,161,828
Expenditures	1,217,377	69,302	1,286,679
Net	(55,635)	(69,216)	(124,851)
Beginning Fund Balance	1,214,729	(114,356)	1,100,373
Ending Fund Balance	<u>\$ 1,159,094</u>	<u>\$ (183,572)</u>	<u>\$ 975,522</u>

COUNTY OF PLYMOUTH, IOWA
Notes to Required Supplementary Information – Budgetary Reporting
June 30, 2004

	Governmental Fund Types		
	Rural Services		Modified
	Cash Basis	Accrual Adjustments	Accrual Basis
Revenues	\$ 2,305,400	\$ (3,315)	\$ 2,302,085
Expenditures	326,821	(5,807)	321,014
Net	1,978,579	2,492	1,981,071
Other Financing Sources (Uses)	(1,760,000)	-	(1,760,000)
Beginning Fund Balance	957,522	(3,797)	953,725
Ending Fund Balance	\$ 1,176,101	\$ (1,305)	\$ 1,174,796

	Governmental Fund Types		
	Secondary Roads		Modified
	Cash Basis	Accrual Adjustments	Accrual Basis
Revenues	\$ 4,537,272	\$ 121,670	\$ 4,658,942
Expenditures	7,367,940	126,176	7,494,116
Net	(2,830,668)	(4,506)	(2,835,174)
Other Financing Sources (Uses)	1,769,153	-	1,769,153
Beginning Fund Balance	3,017,207	407,698	3,424,905
Increase in Reserve for Inventory	-	327,396	327,396
Ending Fund Balance	\$ 1,955,692	\$ 730,588	\$ 2,686,280

	Governmental Fund Types		
	Local Option Sales Tax		Modified
	Cash Basis	Accrual Adjustments	Accrual Basis
Revenues	\$ 1,122,233	\$ (247,909)	\$ 874,324
Expenditures	69,213	73,000	142,213
Net	1,053,020	(320,909)	732,111
Other Financing Sources (Uses)	(300,040)	-	(300,040)
Beginning Fund Balance	608,239	404,081	1,012,320
Ending Fund Balance	\$ 1,361,219	\$ 83,172	\$ 1,444,391

	Governmental Fund Types		
	Debt Service		Modified
	Cash Basis	Accrual Adjustments	Accrual Basis
Revenues	\$ 110,129	\$ 60	\$ 110,189
Expenditures	640,240	-	640,240
Net	(530,111)	60	(530,051)
Other Financing Sources (Uses)	531,557	-	531,557
Beginning Fund Balance	10,081	27	10,108
Ending Fund Balance	\$ 11,527	\$ 87	\$ 11,614

COUNTY OF PLYMOUTH, IOWA
Notes to Required Supplementary Information – Budgetary Reporting
June 30, 2004

	Governmental Fund Types		
	Non-Major Funds		Modified
	Cash Basis	Accrual Adjustments	Accrual Basis
Revenues	\$ 265,334	\$ 95,108	\$ 360,442
Expenditures	307,133	85,987	393,120
Net	(41,799)	9,121	(32,678)
Other Financing Sources (Uses)	(231,517)	-	(231,517)
Beginning Fund Balance	831,609	(137,287)	694,322
Prior Period Adjustment	(39,116)	-	(39,116)
Beginning Fund Balance, Restated	792,493	(137,287)	655,206
Ending Fund Balance	<u>\$ 519,177</u>	<u>\$ (128,166)</u>	<u>\$ 391,011</u>

	Governmental Fund Types		
	Total		Modified
	Cash Basis	Accrual Adjustments	Accrual Basis
Revenues	\$ 13,567,904	\$ (14,260)	\$ 13,553,644
Expenditures	14,414,720	377,707	14,792,427
Net	(846,816)	(391,967)	(1,238,783)
Beginning Fund Balance	8,327,545	699,799	9,027,344
Prior Period Adjustment	(39,116)	-	(39,116)
Beginning Fund Balance, Restated	8,288,429	699,799	8,988,228
Increase in Reserve for Inventory	-	327,396	327,396
Ending Fund Balance	<u>\$ 7,441,613</u>	<u>\$ 635,228</u>	<u>\$ 8,076,841</u>

THIS PAGE INTENTIONALLY LEFT BLANK

OTHER SUPPLEMENTARY INFORMATION

COUNTY OF PLYMOUTH, IOWA
 COMBINING BALANCE SHEET
 Governmental Nonmajor Funds
 JUNE 30, 2004

	Special Revenue Funds		
	Recorder's Records Management Fund	EMS Fund	REAP
Assets			
Cash and Pooled Investments	\$ 29,744	\$ 1,726	\$ 26,028
Receivables:			
Future Property Tax			
Accrued Interest	51	2	33
Due from Other Governmental Agencies	534		
Total Assets	30,329	1,728	26,061
Liabilities and Equity			
Liabilities:			
Accounts Payable			2,393
Unearned Revenue			
Total Liabilities	-	-	2,393
Fund Balances:			
Unreserved for:			
Special Revenue Fund	30,329	1,728	23,668
Capital Project Fund			
Total Fund Balances	30,329	1,728	23,668
Total Liabilities and Equity	\$ 30,329	\$ 1,728	\$ 26,061

Special Revenue Funds						
Forfeiture Fund	County TIF	Conservation Land Acquisition	Recorder's Electronic Transaction Fund	Capital Projects	Total	
\$ 20,957	\$ 346	\$ 31,818	\$ 22,689	\$ 385,869	\$	519,177
	41,996					41,996
				739		825
			14,196			14,730
20,957	42,342	31,818	36,885	386,608		576,728
				141,328		143,721
	41,996					41,996
-	41,996	-	-	141,328		185,717
20,957	346	31,818	36,885			145,731
				245,280		245,280
20,957	346	31,818	36,885	245,280		391,011
\$ 20,957	\$ 42,342	\$ 31,818	\$ 36,885	\$ 386,608	\$	576,728

COUNTY OF PLYMOUTH, IOWA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Governmental Nonmajor Funds
JUNE 30, 2004

	Special Revenue Funds		
	Recorder's Records Management Fund	EMS Fund	REAP
Revenue:			
Other taxes			
Intergovernmental			\$ 12,704
Charges for services	\$ 7,258		
Use of money and property	511	\$ 22	271
Total Revenue	7,769	22	12,975
Expenditures:			
Current operating:			
County environment and education			8,393
Administration			
Total Expenditures	-	-	8,393
Excess of revenues over expenditures	7,769	22	4,582
Other financing sources (uses):			
Transfers in			
Transfers (out)			
Total other financing sources (uses)	-	-	-
Net Change in Fund Balances	7,769	22	4,582
Fund balances-beginning of year	22,560	1,706	19,086
Prior Period Adjustment			
Fund balances-beginning of year, restated	22,560	1,706	19,086
Fund balances- end of year	\$ 30,329	\$ 1,728	\$ 23,668

Special Revenue Funds						
Forfeiture Fund	County TIF	Conservation Land Acquisition	Recorder's Electronic Transaction Fund	Drainage Districts	Capital Projects	Total
	\$ 37,984					\$ 37,984
			\$ 36,885		\$ 253,336	266,040
\$ 478					10,993	12,275
478	37,984	-	36,885	-	264,329	360,442
						8,393
	37,638				347,089	384,727
-	37,638	-	-	-	347,089	393,120
478	346	-	36,885		(82,760)	(32,678)
					362,316	362,316
					(593,833)	(593,833)
-	-	-	-	-	(231,517)	(231,517)
478	346	-	36,885		(314,277)	(264,195)
20,479	-	31,818	-	\$ 39,116	559,557	694,322
				(39,116)		(39,116)
20,479	-	31,818	-	-	559,557	655,206
\$ 20,957	\$ 346	\$ 31,818	\$ 36,885	\$ -	\$ 245,280	\$ 391,011

COUNTY OF PLYMOUTH, IOWA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
Agency Funds
JUNE 30, 2004

	County Recorder	County Sheriff	Ag Extension Education	County Assessor
ASSETS				
Cash and Pooled Investments	\$ 59,320	\$ 8,195	\$ 1,880	\$ 114,050
Receivables:				
Property Tax			328	678
Future Property Tax			159,002	327,972
Assessments				
Accounts	331			
Accrued Interest				108
Due from Other Governments				
Total Assets	59,651	8,195	161,210	442,808
LIABILITIES				
Accounts Payable				143
Due to Other Governments	59,651	8,195	161,210	441,664
Salaries and Benefits Payable				1,001
Total Liabilities	\$ 59,651	\$ 8,195	\$ 161,210	\$ 442,808

Schools	Area Schools	Corporations	Townships	City Special Assessments
\$ 187,269	\$ 7,794	\$ 54,774	\$ 2,944	\$ 1,371
27,193	1,093	21,020	395	
12,716,232	649,278	6,725,674	206,489	3,500
12,930,694	658,165	6,801,468	209,828	4,871
12,930,694	658,165	6,801,468	209,828	4,871
\$ 12,930,694	\$ 658,165	\$ 6,801,468	\$ 209,828	\$ 4,871

(continued)

COUNTY OF PLYMOUTH, IOWA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS (Continued)
Agency Funds
JUNE 30, 2004

	Auto License-Use Tax	Joint Disaster	Brucellosis & Tuberculosis Eradication	Tax Redemption
ASSETS				
Cash and Pooled Investments	\$ 526,456	\$ 30,140	\$ 57	\$ 8,926
Receivables:				
Property Tax			7	
Future Property Tax Assessments			4,000	
Accounts				
Accrued Interest				
Due from Other Governments		2,923		
Total Assets	526,456	33,063	4,064	8,926
LIABILITIES				
Accounts Payable		548		
Due to Other Governments	526,456	31,535	4,064	8,926
Salaries and Benefits Payable		980		
Total Liabilities	\$ 526,456	\$ 33,063	\$ 4,064	\$ 8,926

Emergency 911	Future Tax Payment	Recorder's Electronic Fee Fund	Drainage Districts	Total
\$ 187,143	\$ 68,367		\$ 39,116	\$ 1,297,802
				50,714
				20,788,647
				3,500
77,693				78,024
237				345
		\$ 2,670		5,593
265,073	68,367	2,670	39,116	22,224,625
15,141				15,832
249,342	68,367	2,670	39,116	22,206,222
590				2,571
\$ 265,073	\$ 68,367	\$ 2,670	\$ 39,116	\$ 22,224,625

COUNTY OF PLYMOUTH, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Agency Funds
Year Ended June 30, 2004

	Balance July 1, 2003	Addi- tions	Deduc- tions	Balance June 30, 2004
County Recorder				
Assets				
Cash and Pooled Investments	\$ 83,207	\$ 423,946	\$ 447,833	\$ 59,320
Accounts Receivable	371	331	371	331
Total Assets	<u>83,578</u>	<u>424,277</u>	<u>448,204</u>	<u>59,651</u>
Liabilities				
Due to Other Governments	<u>83,578</u>	<u>424,277</u>	<u>448,204</u>	<u>59,651</u>
Total Liabilities	<u>83,578</u>	<u>424,277</u>	<u>448,204</u>	<u>59,651</u>
County Sheriff				
Assets				
Cash and Pooled Investments	<u>4,763</u>	<u>179,147</u>	<u>175,715</u>	<u>8,195</u>
Total Assets	<u>4,763</u>	<u>179,147</u>	<u>175,715</u>	<u>8,195</u>
Liabilities				
Due to Other Governments	<u>4,763</u>	<u>179,147</u>	<u>175,715</u>	<u>8,195</u>
Total Liabilities	<u>4,763</u>	<u>179,147</u>	<u>175,715</u>	<u>8,195</u>
Agricultural Extension Education				
Assets				
Cash and Pooled Investments	1,350	135,824	135,294	1,880
Property Tax Receivable	619	328	619	328
Future Property Tax Receivable	134,995	159,002	134,995	159,002
Total Assets	<u>136,964</u>	<u>295,154</u>	<u>270,908</u>	<u>161,210</u>
Liabilities				
Due to Other Governments	<u>136,964</u>	<u>295,154</u>	<u>270,908</u>	<u>161,210</u>
Total Liabilities	<u>136,964</u>	<u>295,154</u>	<u>270,908</u>	<u>161,210</u>
County Assessor				
Assets				
Cash and Pooled Investments	111,728	352,205	349,883	114,050
Property Tax Receivable	1,581	678	1,581	678
Future Property Tax Receivable	345,650	327,972	345,650	327,972
Accrued Interest	161	108	161	108
Total Assets	<u>459,120</u>	<u>680,963</u>	<u>697,275</u>	<u>442,808</u>
Liabilities				
Accounts Payable	-	143		143
Salaries and Benefits Payable	2,898	1,001	2,898	1,001
Due to Other Governments	456,222	679,819	694,377	441,664
Total Liabilities	<u>\$ 459,120</u>	<u>\$ 680,963</u>	<u>\$ 697,275</u>	<u>\$ 442,808</u>

(Continued)

COUNTY OF PLYMOUTH, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
Agency Funds
Year Ended June 30, 2004

	Balance July 1, 2003	Addi- tions	Deduc- tions	Balance June 30, 2004
Schools				
Assets				
Cash and Pooled Investments	\$ 157,062	\$ 645,283	\$ 615,076	\$ 187,269
Property Tax Receivable	59,593	27,193	59,593	27,193
Future Property Tax Receivable	13,241,291	12,716,232	13,241,291	12,716,232
Total Assets	<u>13,457,946</u>	<u>13,388,708</u>	<u>13,915,960</u>	<u>12,930,694</u>
Liabilities				
Due to Other Governments	<u>13,457,946</u>	<u>13,388,708</u>	<u>13,915,960</u>	<u>12,930,694</u>
Total Liabilities	<u>13,457,946</u>	<u>13,388,708</u>	<u>13,915,960</u>	<u>12,930,694</u>
Area Schools				
Assets				
Cash and Pooled Investments	11,371	832,096	835,673	7,794
Property Tax Receivable	2,543	1,093	2,543	1,093
Future Property Tax Receivable	828,686	649,278	828,686	649,278
Total Assets	<u>842,600</u>	<u>1,482,467</u>	<u>1,666,902</u>	<u>658,165</u>
Liabilities				
Due to Other Governments	<u>842,600</u>	<u>1,482,467</u>	<u>1,666,902</u>	<u>658,165</u>
Total Liabilities	<u>842,600</u>	<u>1,482,467</u>	<u>1,666,902</u>	<u>658,165</u>
Corporations				
Assets				
Cash and Pooled Investments	42,455	5,895,956	5,883,637	54,774
Property Tax Receivable	18,462	21,020	18,462	21,020
Future Property Tax Receivable	5,876,122	6,725,674	5,876,122	6,725,674
Total Assets	<u>5,937,039</u>	<u>12,642,650</u>	<u>11,778,221</u>	<u>6,801,468</u>
Liabilities				
Due to Other Governments	<u>5,937,039</u>	<u>12,642,650</u>	<u>11,778,221</u>	<u>6,801,468</u>
Total Liabilities	<u>5,937,039</u>	<u>12,642,650</u>	<u>11,778,221</u>	<u>6,801,468</u>
Townships				
Assets				
Cash and Pooled Investments	3,023	194,493	194,572	2,944
Property Tax Receivable	1,056	395	1,056	395
Future Property Tax Receivable	193,446	206,489	193,446	206,489
Total Assets	<u>197,525</u>	<u>401,377</u>	<u>389,074</u>	<u>209,828</u>
Liabilities				
Due to Other Governments	<u>197,525</u>	<u>401,377</u>	<u>389,074</u>	<u>209,828</u>
Total Liabilities	<u>\$ 197,525</u>	<u>\$ 401,377</u>	<u>\$ 389,074</u>	<u>\$ 209,828</u>

(Continued)

COUNTY OF PLYMOUTH, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
Agency Funds
Year Ended June 30, 2004

	Balance July 1, 2003	Addi- tions	Deduc- tions	Balance June 30, 2004
City Special Assessments				
Assets				
Cash and Pooled Investments	\$ 220	\$ 8,886	\$ 7,735	\$ 1,371
Assessments Receivable	8,592	3,500	8,592	3,500
Total Assets	<u>8,812</u>	<u>12,386</u>	<u>16,327</u>	<u>4,871</u>
Liabilities				
Due to Other Governments	8,812	12,386	16,327	4,871
Total Liabilities	<u>8,812</u>	<u>12,386</u>	<u>16,327</u>	<u>4,871</u>
Auto License and Use Tax				
Assets				
Cash and Pooled Investments	492,280	5,931,242	5,897,066	526,456
Total Assets	<u>492,280</u>	<u>5,931,242</u>	<u>5,897,066</u>	<u>526,456</u>
Liabilities				
Due to Other Governments	492,280	5,931,242	5,897,066	526,456
Total Liabilities	<u>492,280</u>	<u>5,931,242</u>	<u>5,897,066</u>	<u>526,456</u>
Joint Disaster				
Assets				
Cash and Pooled Investments	21,615	99,308	90,783	30,140
Due from Other Governments	4,194	2,923	4,194	2,923
Total Assets	<u>25,809</u>	<u>102,231</u>	<u>94,977</u>	<u>33,063</u>
Liabilities				
Accounts Payable	895	548	895	548
Salaries and Benefits Payable	-	980		980
Due to Other Governments	24,914	100,703	94,082	31,535
Total Liabilities	<u>25,809</u>	<u>102,231</u>	<u>94,977</u>	<u>33,063</u>
Brucellosis and Tuberculosis Eradication				
Assets				
Cash and Pooled Investments	48	6,354	6,345	57
Property Tax Receivable	18	7	18	7
Future Property Tax	4,000	4,000	4,000	4,000
Total Assets	<u>4,066</u>	<u>10,361</u>	<u>10,363</u>	<u>4,064</u>
Liabilities				
Due to Other Governments	4,066	10,361	10,363	4,064
Total Liabilities	<u>\$ 4,066</u>	<u>\$ 10,361</u>	<u>\$ 10,363</u>	<u>\$ 4,064</u>

(Continued)

COUNTY OF PLYMOUTH, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
Agency Funds
Year Ended June 30, 2004

	Balance July 1, 2003	Addi- tions	Deduc- tions	Balance June 30, 2004
Tax Redemption				
Assets				
Cash and Pooled Investments	\$ 29,333	\$ 173,272	\$ 193,679	\$ 8,926
Total Assets	<u>29,333</u>	<u>173,272</u>	<u>193,679</u>	<u>8,926</u>
Liabilities				
Due to Other Governments	29,333	173,272	193,679	8,926
Total Liabilities	<u>29,333</u>	<u>173,272</u>	<u>193,679</u>	<u>8,926</u>
E-911				
Assets				
Cash and Pooled Investments	193,099	185,788	191,744	187,143
Accounts Receivable	47,018	77,693	47,018	77,693
Accrued Interest	425	237	425	237
Total Assets	<u>240,542</u>	<u>263,718</u>	<u>239,187</u>	<u>265,073</u>
Liabilities				
Accounts Payable	9,000	15,141	9,000	15,141
Salaries and Benefits Payable	301	590	301	590
Due to Other Governments	231,241	247,987	229,886	249,342
Total Liabilities	<u>240,542</u>	<u>263,718</u>	<u>239,187</u>	<u>265,073</u>
Future Tax				
Assets				
Cash and Pooled Investments	58,619	73,208	63,460	68,367
Total Assets	<u>58,619</u>	<u>73,208</u>	<u>63,460</u>	<u>68,367</u>
Liabilities				
Due to Other Governments	58,619	73,208	63,460	68,367
Total Liabilities	<u>58,619</u>	<u>73,208</u>	<u>63,460</u>	<u>68,367</u>
Recorder's Electronic Fee Fund				
Assets				
Due From Other Governments		33,770	31,100	2,670
Total Assets	<u>-</u>	<u>33,770</u>	<u>31,100</u>	<u>2,670</u>
Liabilities				
Due to Other Governments		33,770	31,100	2,670
Total Liabilities	<u>-</u>	<u>33,770</u>	<u>31,100</u>	<u>2,670</u>
Drainage Districts				
Assets				
Cash and Pooled Investments	39,116			39,116
Total Assets	<u>39,116</u>	<u>-</u>	<u>-</u>	<u>39,116</u>
Liabilities				
Due to Other Governments	39,116	-	-	39,116
Total Liabilities	<u>\$ 39,116</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,116</u>

(Continued)

COUNTY OF PLYMOUTH, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
Agency Funds
Year Ended June 30, 2004

	Balance July 1, 2003	Addi- tions	Deduc- tions	Balance June 30, 2004
Total All Agency Funds				
Assets				
Cash and Pooled Investments	\$ 1,249,289	\$ 15,137,008	\$ 15,088,495	\$ 1,297,802
Receivables:				
Property Tax	83,872	50,714	83,872	50,714
Future Property Tax	20,624,190	20,788,647	20,624,190	20,788,647
Accounts	47,389	78,024	47,389	78,024
Assessments	8,592	3,500	8,592	3,500
Accrued Interest	586	345	586	345
Due from Other Governments	4,194	36,693	35,294	5,593
Total Assets	<u>22,018,112</u>	<u>36,094,931</u>	<u>35,888,418</u>	<u>22,224,625</u>
Liabilities				
Accounts Payable	9,895	15,832	9,895	15,832
Due to Other Governments	22,005,018	36,076,528	35,875,324	22,206,222
Salaries and Benefits Payable	3,199	2,571	3,199	2,571
Total Liabilities	<u>\$ 22,018,112</u>	<u>\$ 36,094,931</u>	<u>\$ 35,888,418</u>	<u>\$ 22,224,625</u>

PLYMOUTH COUNTY, IOWA
Schedule of Expenditures of Federal Awards (Cash Basis)
Year Ended June 30, 2004

	CFDA Number	Agency or Pass-Through Number	Program Disburse- ments
Direct:			
U.S. DEPARTMENT OF JUSTICE			
Bulletproof Vest Partnership Program	16.607		\$ 238
Indirect:			
DEPARTMENT OF AGRICULTURE			
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
State Administrative Matching Grants for			
Food Stamp Program	10.561		11,187
DEPARTMENT OF JUSTICE			
Iowa Department of Justice:			
Crime Victim Assistance	16.575		22,170
DEPARTMENT OF TRANSPORTATION			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	BROS-C075(82)-8J	67,691
		BROS-C075(84)-8J	187,248
		BROS-C075(90)-8J	175,333
		BROS-C075(87)-8J	174,856
		BROS-C075(91)-8J	121,132
			<u>726,260 *</u>
Iowa Department of Public Safety:			
Safety Incentive Grants for Use of Seatbelts	20.604		3,731
Safety Incentives to Prevent Operation of Motor			
Vehicles by Intoxicated Persons	20.605		3,824
			<u>7,555</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
Temporary Assistance for Needy Families	93.558		14,605
Refugee and Entrant Assistance - State			
Administered Programs	93.566		48
Child Care Mandatory and Matching Funds			
of the Child Care and Development Fund	93.596		2,719
Foster Care - Title IV-E	93.658		6,723
Adoption Assistance	93.659		1,779
Medical Assistance Program	93.778		14,742
Social Services Block Grant	93.667		9,599
Social Services Block Grant	93.667		73,765
			<u>123,980</u>
FEDERAL EMERGENCY MANAGEMENT AGENCY			
Iowa Department of Public Defense:			
State Domestic Preparedness Equipment Support Program	97.004		8,258
State and Local Homeland Security Training Program	97.005		1,213
Hazard Mitigation Grant	97.039		3,000
Emergency Management Performance Grants	97.042		12,669
State and Local All Hazards Emergency Operations			
Planning	97.054		2,557
Community Emergency Response Teams	97.051		4,828
Citizens Corps	97.053		3,873
			<u>36,398</u>
Total Expenditures of Federal Awards			<u>\$ 927,788</u>

* Total disbursements from this program exceeds 50% of the total federal awards and is considered a major program.

PLYMOUTH COUNTY, IOWA
Schedule of Expenditures of Federal Awards (Cash Basis) - (Continued)
Year Ended June 30, 2004

Notes to Schedule of Expenditures of Federal Awards

Note 1 - **Basis of Presentation** - The accompanying schedule of expenditures of federal awards includes the federal grant activity of Plymouth County and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

PLYMOUTH COUNTY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2004

Part I: Summary of the Independent Auditor's Results

- (a) An adverse opinion was issued on the financial statements due to the omission of the capital assets from the Statement of Net Assets.
- (b) Reportable conditions in internal control over financial reporting were disclosed by the audit of the financial statements, including material weaknesses.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) Reportable conditions in internal control over major programs were disclosed by the audit of the financial statements, including material weaknesses.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) The major program was as follows:
CFDA Number 20.205 - Highway Planning and Construction
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Plymouth County did not qualify as a low-risk auditee.

Part II: Findings Related to the Financial Statements and Federal Awards

Instances of Non Compliance:

No matters were reported.

There were no prior year audit findings.

PLYMOUTH COUNTY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2004

Reportable Conditions:

II-A-04: Grant Administration

Observation - The County does not have a system in place to monitor the various grants received by the County.

Recommendation – The County should assign an individual to be responsible for grant administration including internal accounting and external reporting to ensure both timely reimbursement and compliance with applicable laws, regulations, contracts, and grant agreements.

Response – The County understands the nature of the weakness and will strive to improve grant administration.

Conclusion – Response accepted.

II-B-04 Capital Assets

Observation - The County does not maintain a schedule of capital assets. For this reason, capital assets have been omitted from the governmental activities column in the government-wide statement of net assets, which is not in accordance with U.S. generally accepted accounting principles.

Recommendation – The County should assign an individual to prepare and maintain a schedule of capital assets to allow financial reporting in accordance with U.S. generally accepted accounting principles.

Response– The County understands the need to prepare and maintain a schedule of capital assets and will complete the schedule for the subsequent fiscal year.

Conclusion – Response accepted.

PLYMOUTH COUNTY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2004

Part III: Other Findings Related to Statutory Reporting

- III-A-04** Official Depositories – A resolution naming official depositories has been adopted by the Board. The maximum deposit amounts stated in the resolution were not exceeded during the year. In addition, the County Recorder has an account at an officially named depository. However, this account is not included in the general depository resolution for the County nor do they have a separate depository resolution.

Recommendation – The County Recorder should be added to the depository resolution for the County or a separate depository resolution for this office should be adopted.

Response – The County will do so.

Conclusion – Response accepted.

- III-B-04** Certified Budget – Disbursements for the year ended June 30, 2004, exceeded the amount budgeted in the Physical Health and Social Services functional area, the Non-program Services functional area, and the Debt Service functional area.

Recommendation – The budget should be amended in accordance with Chapter 24.9 of the Code of Iowa before disbursements are allowed to exceed the budget.

Response – We will amend our budget before disbursements exceed the budget.

Conclusion – Response accepted.

Sheriff's Forfeiture Fund – Disbursements for the Sheriff's Forfeiture Fund, a special revenue fund, are not being budgeted by the County.

Recommendation – County should budget for the fund, accordingly.

Response – The County will do in future.

Conclusion – Response accepted.

- III-C-04** Questionable Expenses – We noted no expenditures that we believe may constitute unlawful expenditures from public funds as defined in an Attorney General's opinion dated April 25, 1979.

- III-D-04** Travel Expenses – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

- III-E-04** Business Transactions – There were no business transactions between the County and County officials and/or employees during the year ended June 30, 2004.

PLYMOUTH COUNTY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2004

Part III: Other Findings Related to Statutory Reporting – (Continued)

- III-F-04** Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. Township clerks are included in the blanket bond purchased by the County. Chapter 64.12 of the Code of Iowa requires that all bonds required of the township clerk be furnished and paid for by the township.

Recommendation – The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations. The County should seek reimbursement for the amount paid for the bond premiums for township clerks.

Response – We feel the amount each township owes is minimal and therefore, not worth the time it would take to figure and bill each township.

Conclusion – Response accepted.

- III-G-04** Board Minutes – In accordance with Chapter 331.432 of the Code of Iowa, transfers were not authorized by resolution of the Board.

Recommendation – Transfers should be approved/authorized by resolution of the Board of Supervisors.

Response – The Board will do in future.

Conclusion – Response accepted.

In accordance with Chapter 331.320(a) of the Code of Iowa, a code of ordinances should be compiled at least once every five years. The County has not done this in over five years.

Recommendation – The County should comply as soon as possible.

Response – Personnel is limited, however, we will comply as soon as time permits.

Conclusion – Response accepted.

- III-H-04** County Extension Office – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an extension council separate and distinct from the County operations and, consequently, is not included in these financial statements. Disbursements during the year ended June 30, 2004 for the County Extension Office did not exceed the amount budgeted.

- III-I-04** Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

PLYMOUTH COUNTY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2004

Part III: Other Findings Related to Statutory Reporting – (Continued)

III-J-04 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12b and 12c of the Code of Iowa and the County's investment policy were noted.

III-K-04 Court Ordered Restitutions – Court ordered restitutions should be deposited into the general fund of the County. However, during the current year, restitutions were deposited into the sheriff's forfeiture fund.

Recommendation – Court ordered restitutions should properly be submitted to the Treasurer for receipt in the general fund of the County.

Response – This will be done in the future.

Conclusion – Response accepted.

III-L-04 Credit Card Policy – As of June 30, 2004, the County had not adopted a written credit card policy.

Recommendation – The County should have a written credit card policy in place that includes prohibiting personal use of County credit cards as well as requiring sufficient documentation/receipts when submitting credit card bills for payment.

Response – The County will prepare a written credit card policy.

Conclusion – Response accepted.

PLYMOUTH COUNTY
Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2004

II-A-03: Financial Accounting – Segregation of Duties

Segregation of Duties - We noted several instances where a better segregation of duties would enhance the internal control. In all cases identified, the cause of the lack of segregation of duties can be attributed to a limited number of employees working in that office.

Recommendation – Segregation of duties is difficult with the limited number of employees. This observation reminds management that this weakness exists and we recommend that the duties be reviewed to provide maximum segregation of work possible under the circumstances.

Current Status – The finding has been resolved for the year ended June 30, 2004.

II-B-03: Grant Administration

Observation – The County does not have a system in place to monitor the various grants received by the County.

Recommendation – The County should assign an individual to be responsible for grant administration including internal accounting and external reporting to ensure both timely reimbursement and compliance with applicable laws, regulations, contracts, and grant agreements.

Current Status – The finding still exists at June 30, 2004 (See Comment II-A-04).

II-C-03 Capital Assets

Observation - The County does not maintain a schedule of capital assets. For this reason, capital assets have been omitted from the governmental activities column in the government-wide statement of net assets, which is not in accordance with U.S. generally accepted accounting principles.

Recommendation – The County should assign an individual to prepare and maintain a schedule of capital assets to allow financial reporting in accordance with U.S. generally accepted accounting principles.

Current Status – The finding still exists at June 30, 2004 (See Comment II-B-04).



21 1st Avenue NW
P.O. Box 1010
Le Mars, IA 51031
Phone (712) 546-7801
Fax (712) 546-6543

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Supervisors
Plymouth County, Iowa:

Compliance:

We have audited the compliance of PLYMOUTH COUNTY, IOWA with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004. Plymouth County's major federal program is identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Plymouth County's management. Our responsibility is to express an opinion on Plymouth County's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Plymouth County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Plymouth County's compliance with those requirements.

In our opinion, Plymouth County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

Internal Control Over Compliance:

The management of Plymouth County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Plymouth County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgement, could adversely affect Plymouth County's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. The reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items II-A-04 and II-B-04.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider items II-A-04 and II-B-04 to be material weaknesses.

This report, a public record by law, is intended solely for the information and use of the board of supervisors, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Williams + Company, P.C.
Certified Public Accountants

Le Mars, Iowa
October 29, 2004



21 1st Avenue NW
P.O. Box 1010
Le Mars, IA 51031
Phone (712) 546-7801
Fax (712) 546-6543

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors
Plymouth County, Iowa

We have audited the financial statements of PLYMOUTH COUNTY, IOWA as of and for the year ended June 30, 2004, and have issued our report thereon dated October 31, 2004, which was adverse because of the omission of the capital assets from the statement of net assets. We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and those standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance:

As part of obtaining reasonable assurance about whether Plymouth County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that are described in Part III of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2004 are based exclusively on knowledge obtained from procedures performed during our audit of the basic financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes. Prior year statutory comments have not been resolved.

Internal Control Over Financial Reporting:

In planning and performing our audit, we considered Plymouth County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Plymouth County's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable conditions are described in Part II of the accompanying Schedule of Findings and Questioned Costs as items II-A-04 and II-B-04.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider items II-A-04 and II-B-04 to be material weaknesses. The prior year reportable conditions, with the exception of II-A-03, have not been resolved.

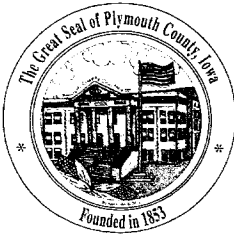
This report, a public record by law, is intended solely for the information and use of the Board of Supervisors, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Plymouth County during the course of our audit.

If you have any questions concerning any of the above matters we would be pleased to discuss them with you at your convenience.

Williams + Company, P.C.
Certified Public Accountants

Le Mars, Iowa
October 29, 2004



Plymouth County Auditor

K. Kae Meyer

Plymouth County Courthouse

215 4th Ave SE

LeMars, IA 51031

712-546-6100

Fax 712-546-5784

kmeyer@co.plymouth.ia.us

Corrective Action Plan December 20, 2004

Department of Transportation:

Plymouth County, Iowa, respectfully submits the following corrective action plan for the year ended June 30, 2004.

The audit was performed by Williams & Company, P.C., P.O. Box 1010, Le Mars, Iowa, for the fiscal year ended June 30, 2004.

The findings from the June 30, 2004 Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Part I of the schedule, Summary of the Independent Auditor's Results, does not include a finding and is not addressed.

Part II - Findings Related to the Financial Statements and Federal Awards.

Reportable Condition:

A. Grant administration

Recommendation – The County should assign an individual to be responsible for grant administration including internal accounting and external reporting to ensure both timely reimbursement and compliance with applicable laws, regulations, contracts, and grant agreements.

Response – The County understands the nature of the weakness and will strive to improve grant administration.

B. Capital Assets

Recommendation – The County should assign an individual to prepare and maintain a schedule of capital assets to allow financial reporting in accordance with U.S. generally accepted accounting principles.

Response– The County understands the need to prepare and maintain a schedule of capital assets and will complete the schedule for the subsequent fiscal year.

If the Department of Transportation has questions regarding this plan, please call K. Kae Meyer at 712-546-6100.

Sincerely yours,

K. Kae Meyer, County Auditor